COMMITTEE ON PLANNING & BUDGET SUMMARY OF RECOMMENDATIONS TO THE CHANCELLOR

The campus is facing unprecedented budget reductions, an uncertain budget future and stricter compliance requirements, which have together caused extraordinary strains. It will take much discussion and thoughtful planning to minimize the impact of the reduced budget on our mission of teaching, research and community service. This year the Committee on Planning and Budget (CPB) met with all academic and major non-academic units except those that had a change in leadership during the academic year. In the latter category, were the new Deans from the College of Natural and Agricultural Sciences (CNAS), School of Business, and the Vice Chancellor for Research. Dean Baldwin of CNAS met with the committee to discuss the Agricultural Experimental Station (AES) and the Cooperative Extension (CE). Dean Mitchell of the Graduate School of Education met with CPB to pass on his knowledge of the campus budget acquired as head of a special senate budget task force in 2010-11. The reports of the discussion with each unit are attached.

The recommendation summary of the committee is based on common themes that emerged from the above discussions. We recommend that:

1. There is an acute need for a formal budget process, i.e. annual discussion with the heads of units to determine budget allocations. For the academic units, a formula-based per student funding model, especially for over-enrolled students, would be extremely helpful to the Deans and academic departments in their planning. A good model would be the well delineated budget processes at UCSC or UCD. In discussions, UCSC emerged as an example to follow in budget transparency. UCSC has a well developed website for budget allocation and dissemination of budget information. It would be very useful for UCR to have a similar narrative.

2. A consensus emerged in our meetings with unit heads that the new compliance infrastructure is taking an ever-larger fraction of support resources. In addition to better risk management, the Deans and unit heads indicated that UCR’s compliance particularly with regard to the Research Office, Auditing, and Accounting are substantially different from other UCs. CPB did not investigate these alleged differences. CPB had very forthright discussions with EVC
Rabenstein, VC Bolar and the heads of Accounting, Capital Planning, and Purchasing regarding these concerns. It emerged that much can be attributed to a lack of clear understanding and misinterpretation of campus policies. To alleviate these concerns we recommend that:

(i) All units involved with compliance such as accounting, purchasing, travel, contracts and grants administration, auditing, health and safety, etc. should clearly post the rules and their justification on the unit websites. The justification, as a link to the particular item on Federal, State or University regulation should be provided. The link should be specific to the rule and not just to a document. This would clarify the rules to all staff and faculty, lead to a uniform application of rules, improve compliance and remove excessive need for repeated and multiple layers of audit. Presently, different units have different levels of “strict adherence” which is not justified by any uniform governing principle.

(ii) In order to standardize and improve compliance, guidelines for the number of audits, selection of units for audit, clear benchmarks required for compliance based on national norms (with links to specific Federal, State and University regulation) should be provided on the audit unit website, including factors for audit triggers. A recommendation regarding the audit office is to reduce the number of auditors from 5 to 3 to help meet the budget reductions.

(iii) A task force be formed to study the resulting efficiencies. The clear display of the rules will allow the centralization of information through computerization, allow consolidation of staff to reflect the new budget realities and obviate the need for multiple highly compensated financial officers who have been imposed on the academic units without regard of the costs to them to facilitate compliance.

3. Capital Physical Planning reflects a previous healthy budget and construction climate and should be consolidated in line with present budget constraints and integrated with Physical Plant.

4. Physical Plant should qualify more outside vendors, post the information on their website and facilitate their use. More detailed benchmarking of the construction costs by COSSA is ongoing.

5. Currently, the Committee on Sales and Service Activities (COSSA) is charged with approving rate structures for campus units. COSSA’s oversight role for Physical Plant and Capital and Physical Planning is currently limited to oversight/approval of hourly rates. In addition to hourly rates, efficient and timely job completion, for which there is
currently no external oversight, is an important factor in overall project costs. We recommend that COSSA's role be extended to oversight of total project costs for these units.

6. UG Admissions and Education Abroad programs be assigned to an academic unit such as Undergraduate Education rather than a largely business unit such as the Office of Student Services so as to build synergy, academic focus, academic planning, precise enrollment management, targeted recruitment and improved student quality. The committee also recommends more consultation with the Deans in the admissions and enrollment management process.

7. As the growth in the quality and number of graduate students is critical to the future of the campus, we make the following general recommendations: (i) Include some graduate student support as part of endowed Chairs. (ii) The campus should encourage more self supporting graduate programs. (iii) With the implementation of funding streams where all state funding comes directly to the campus and tuition revenues remain on campus, it is important that allocation of resources such as application fees, non-resident tuition and fellowship be reexamined. (iv) Consolidation of student affairs officers should be studied to determine that it does not negatively impact graduate student recruitment and retention.

8. Mail services should consider reducing delivery frequency to twice a week to reflect the new electronic communication culture. Units should unsubscribe from free unsolicited mail. Mail services might also be consolidated into the physical plant organization structure.

9. Many unit heads expressed concern about budget allocations and return on investment for the Office of Advancement given the difficult campus budget. CPB realizes that the office is central to the building of the medical school and after frank discussions with VC Hayashida recommends that the funding be maintained to build long term relationships but be evaluated again in future years if issues of return on investment persist.
10. CPB recommends independent outside management of food services as it diverts from the core management skills and competencies of the university.

CPB had discussions with Dean Baldwin about the AES and CE. In the proposed university wide “rebenching” funding models, AES & CE funding is expected to taken off the top. CPB noticed a substantially reduced amount and worked diligently to clarify the AES budget with OP and match the campus allocations. In the enclosed report we emphasize the central role of AES & CE in the campus, and provide some comparisons with counterparts at UCB and UCD.

CPB understands that the need for future strategic investments, such as the building of a school of medicine, is critical to the campus and the local community. CPB hopes that the present plans to accomplish this with mild additional strains on campus resources can be successfully executed. A truncated report (due to ongoing accreditation) based on discussions with Dean Olds is attached.
Committee on Planning and Budget (2011-12)

Umar Mohideen, Physics (Chair)
Bir Bhanu, Electrical Engineering
Jan Blacher, GSOE
Michelle Bloom, Comparative Literature
Subir Ghosh, Statistics
Barry Mishra, SoBA
David Pion Berlin, Political Science
Roger Ransom, History
Patricia Springer, Botany and Plant Sciences